

**An Empirical Study on Corporate Social Responsibility, Intention to Quit and Job
Embeddedness.**

Debjani Ghosh

KIIT School of Management

L.Gurunathan

Xaviers Labour Relations Institute

Abstract

Systematic research regarding the effects of corporate social responsibility (CSR) on organization stakeholder groups, like employees, remains sparse. This paper examines employee's reaction to CSR programmes at the attitudinal level. The purpose of the study was to investigate how employee's intention to quit is indirectly influenced by two dimensions of perceived CSR i.e. CSR to society and CSR to customers through the mediation of job embeddedness (JE). Empirical testing using a survey of 501 managers from 19 banking companies in India confirms most of our hypothesized effects. Based on these findings, we argue that developing CSR to society and CSR to customer can be effective ways to lower employees' intention to leave the organization.

Keywords: job embeddedness, corporate social responsibility, intention to quit.

An Empirical Study on Corporate Social Responsibility, Intention to Quit and Job Embeddedness.

Company's corporate social responsibility activities comprise an important way to attract and retain good employees. "CSR represents a continual commitment of a business to behave ethically and contribute to economic development whilst improving the quality of life of the workforce and their families, as well as of the local community and society" (Mijatovik & Stokic, 2010, p.533). Yet, there is a dearth of studies that explain the impact of CSR activities on employees (Hansen, Dunford, Boss, Boss, & Angermeier, 2011; Rodrigo & Arenas 2008). It is important to study the influence of CSR activities and its perception on employees as they are concerned about, contribute to, and react to an organization's evolving social consciousness (Rupp, Ganapathi, Aguilera, & Williams, 2006). The influence of CSR perception constitutes the reality upon which they base their decisions, opinions, and attitudes affecting organization performance (Hansen et al., 2011).

The purpose of the current study is to analyze the impact of employees' perception of CSR to society and CSR to customers on their intentions to leave through the mediation of JE. The first dimension i.e. CSR to society is defined as the various forms of company involvement with the introduction of social and environmental criteria and practices (Rodrigo & Arenas, 2008). The second dimension is CSR to customers that refers to activities like paying attention to its customers by providing high quality products, producing safe products and provide accurate information about its activities (Turker, 2009b).

We have considered the above key stakeholders for two reasons. First, we propose that CSR to society and CSR to customers are the two groups of stakeholders with whom employees interact directly and get opportunities to prevent harm (e.g., by providing full and accurate

information about the product to the customers) or promote gains to other people (e.g., by protecting natural environment). Therefore, the magnitude, frequency and focus of employees' interactions are stronger with society and customers in comparison to other stakeholders like suppliers and investors. Second, the data used in this research were collected in the context of a broader study, where a wider range of variables was obtained. The impact of other important stakeholders (e.g., suppliers and investors) on employees intention to quit were not measured because we sought to reduce the risks of non-response due to an "excess" of data required of the participants. Finally, data was collected from every kind of employees other than the one having direct interface as these employees are from regional headquarters and they may not have direct interaction with customers but they design corporate policy and are responsible for policy fulfillment like credit appraisal. Given the level of our respondents the closest CSR activities that they can relate to are the two dimensions discussed above.

Despite the considerable progress made in CSR research, however, this growing and multidisciplinary body of literature is limited in at least three important respects. First, the precise nature of the relationship between CSR and employee attitudes is still not fully understood. Some studies suggest that being socially responsible does influence employees' attitude for example, Turker (2009b), Brammer, Millington, and Rayton (2007) and Peterson (2004) have explained that when employees' perceive their organization to be a socially responsible member of society, it enhances their self-concepts by increasing their senses of belongingness towards organization that influences their organizational commitment positively. Bhattacharya, Sen, and Korschun (2008) have found that CSR lowers intention to leave, yet other studies suggest that it does not (De Gilder, Schuyt, & Breedijk, 2005). Such inconsistency in findings creates ground for further investigation.

Second, although a few empirical studies have examined the relationship between perceived CSR and employee attitudes like organizational commitment (e.g., Brammer et al., 2007; Turker, 2009b), job satisfaction (Valentine & Fleischman, 2008) and intentions to leave (Bhattacharya et al., 2008, Gilder, 2005) the underlying psychological mechanisms were not tested. Moreover, with a few exceptions (e.g., Hansen et al., 2011; Jones, 2010; Vlachos, Theotokis, & Panagopoulos, 2010) where the mediating mechanism was clarified, the authors (e.g., Hansen et al., 2011; Jones, 2010) have advocated that future research should focus on potential mediators that have not been tested before. This has elicited calls for the identification of potential mediating mechanisms to clarify the relationship between CSR and employees' attitudes.

We answer the above call for research by focusing on a potential mediator i.e. JE because it explains the variance in intent to quit and voluntary turnover more comprehensively than reflected by attitudinal measures such as satisfaction or commitment (Holtom & O'Neill, 2004; Wheeler, Harris, & Harvey, 2010). JE shall play a key role at the individual level in explaining the relationship between the employee's perception of CSR practices and intention to leave.

JE explains how employees become psychologically and socially enmeshed within the organization and community in which the organization operates (Wheeler et al., 2010) motivating employees to stay with the organization. To our knowledge none of the previous research has considered JE as a mediator in the relationship between CSR and intentions to leave. Collectively, by evaluating the main effect of CSR on intention to leave and the mediating effects of JE in lowering the intention to leave, a clear picture of how CSR actually influences intentions to leave can be developed significantly.

Finally, CSR is predominantly a western concept typically introduced by multinational companies (MNCs) and passed on through subsidiaries in the region (Mijatovik & Stokic, 2010; Mishra & Suar, 2010). Current research on CSR in India does not study the impact of perceived CSR on employee's behavior. Literature also shows that only a few empirical studies have been made on the data generated from the business managers (Narwal & Sharma, 2008) this study intends to fill that gap.

Testable hypotheses are first developed, relying on the theoretical frameworks of JE, CSR and intention to leave; a model of these hypotheses is presented in Figure I. As this figure indicates, it is predicted that CSR to society and CSR to customers are negatively related to intention to quit, CSR to society and CSR to customers are positively related to JE and that JE mediates the relationship between employees' perception of CSR to society and CSR to customers and employee intentions to leave. To test these hypotheses, data was collected using a large-scale field survey and was analyzed.

Insert Figure 1 about here.

Literature Review

CSR and Intention to Quit

To quote Wheeler et al. (2010,p.185) "The focus on turnover intentions is of primary importance as information about actual turnover often comes too late for managers to take any preventative actions". CSR activities are likely to lower intention to leave because of two main reasons (1) organizations engagement with CSR activities make employees aware about company ethics and values and the extent to which it can be trusted, it implies that they are compassionate, benevolent and they understand their societal responsibilities, this ensures

quality of workplace experiences (Hansen et al., 2010; Vlachos et al., 2010), and (2) CSR activities promote organizational identification because they foster, greater pride in organizational membership (Jones, 2010). This makes employees content with their employment relationships and they are less likely to desire employment relationships elsewhere.

Few research papers have examined the impact of perceptive CSR on employees intention to quit. Bhattacharya et al. (2008) conducted an online survey where the results revealed that employee engagement in CSR is negatively related to employees' intentions to leave. Hansen et al. (2010) and Vlachos et al. (2010) have explained that perceived organizational trust mediates the positive relationship between CSR initiatives and loyalty intentions; contradicting the above De Gilder et al. (2005) did an empirical investigation on Dutch ABN-AMRO bank employee's volunteering for various CSR programs. The authors did not find any differences amongst the group's (participants in the program, non-volunteers and community volunteers) attitude relative to the importance of their personal career, their commitment to the organization, their intention to leave the organization or the level of organizational citizenship behavior (OCB). Jones (2010) did a study in which he found that CSR activities promote organizational identification, which positively affects employees' intention to stay. Although the support for mediation was found on the self-reported measures of intentions to stay and OCB-loyalty, support was not found on the supervisor-reported behaviors. Given this limited empirical evidence and contradicting results, it shall be useful to provide additional evidence as to whether employees' perception of CSR influences intention to quit. Specifically, we hypothesize that:

Hypothesis 1(a) Employees' perception of CSR to society are negatively associated with employees' intention to quit.

Hypothesis 1(b) Employees' perception CSR to customers are negatively associated with employees' intention to quit.

CSR and JE

CSR to society may influence JE by providing employees with opportunities to participate in social activities, this makes people feel good about themselves because they are getting an opportunity to give back to their communities (Zelman, 2000). When employees observe that organizations are giving importance to the values and norms they deem important it creates a fitment between the organizations values and employee's personal values. Thus, employees would be more embedded in their job and less likely to leave.

Companies are using community involvement projects for team building .Working on a common cause outside the office helps the employees to know their colleagues in a better way (Zelman, 2000), brings together people with the common interest (here it is CSR) and provides a platform for interaction and social learning, forming closely-knit communities. These relationships may also lead to friendship ties and other links outside the organization (Bhattacharya et al., 2008). Departing from such an organization will increase the perceived personal loss of separating from colleagues and relationship with important others.

The "outside world" experiences of the participants helps the participants acquire new abilities and competencies like co-operation, communication, client-centeredness, or leadership while doing volunteering work. Organizational or marketing skills thus developed in a community outreach program may give employees the tools necessary for greater job effectiveness (e.g., Bhattacharya et al., 2008; De Gilder et al., 2010), which can be conceived as investments as it enhances their advancement opportunities within the organization. An employee would not like to incur potential sacrifices by leaving an organization that includes

opportunities for advancement thereby, making it difficult to consider severing relationship with the organization.

CSR activities can integrate employees home and work lives, which may result from the employees' usage of work-based skills in helping a cause they support in their personal lives. This may help the employees to derive substantial psychosocial benefits because this signals that the company is caring and, more specifically, concerned about the causes that they themselves care about (Bhattacharya, Korschun, & Sen, 2009). It would be a sacrifice for employees to forfeit such psychosocial benefits if they want to leave an organization.

Hypothesis 2 (a) Employee perceptions of Corporate Social Responsibility to society are positively related to organization JE and community JE.

Engaging in CSR to customers, actions indicate to employees that their organization is market oriented because customers may consider CSR to customers as an important purchasing criterion. They may even be ready to make specific efforts – for example paying a higher price or shopping at a less convenient location. Such proactive behaviors in favor of responsible organizations (Maignan, 2001), makes employees view CSR to be market-oriented. Thus, they will remain loyal to the organization.

The banking sector provides bank managers ample opportunities to practice CSR to customers. They provide honest information to the customers about how to protect and promote their wealth, thereby evoking positive emotions and satisfaction with products and services affecting the lives of the customers positively. Such meaningful contacts with customers make employees' invest time and energy in prescribed and voluntary activities developing emotionally close interactions that attaches them securely with the organization. Thus, they will be viewed

positively by peers, family members, customers and important others. Severing these relationships by leaving the organization may be viewed as a sacrifice.

From a customer perspective employees are employer's agents hence, when organizations are implementing CSR to customers they are enabling employees to pay attention to its customers by providing high quality products or by providing accurate and full information about its activities (Turker, 2009b). These activities satisfy the needs of the customers that are central in employees' understanding of societal responsibilities. These processes allow employees to more accurately foretell an organization's actions, it also communicates that organization are concerned about the effect of its activities on customers and has established mechanisms to address these issues, thus satisfying employees need for control, which they might be less willing to sacrifice to start over again in a new environment.

When organizations promote CSR to customers, it helps employees to demonstrate actions that adhere to the normative rules of social conduct as a result they are likely to be viewed more positively by the family members and community members which may help them to increase the number of social relationships within the community. Thus, the general culture of the community may fit with the employee and there may be a normative pressure by the family members and non-work friends to make the employee stay with the organization. As a result, employees' may be less willing to sacrifice the respect in the community, which they have earned because of the perception that resides in CSR to customers.

Hypothesis 2 (b) Employee perceptions of Corporate Social Responsibility to customer a positively related to organization JE and community JE.

The Mediating Role of JE

We propose that JE may be a particularly useful construct for explaining the role of CSR activities in influencing intention to quit among employees. Theory and research clearly indicate that embeddedness is negatively related to turnover, even when other major turnover antecedents are included (Holtom & O'Neil, 2004; Holtom, Mitchell, Lee & Tidd, 2006; Lee, Mitchell, Sablinski, Burton & Holtom, 2004). The critical aspects of JE are a three-by-two matrix that suggests six dimensions: links, fit, and sacrifice associated with an individual's organization and with his or her community. Links are characterized as formal or informal connections between a person and institutions or other people that embeds an employee in a social, psychological, and financial web that includes work and non-work friends, groups, and the community and the physical environment in which he or she lives. Fit is defined as an employee's perceived compatibility or comfort with an organization and with his or her environment. Sacrifice captures the perceived cost of material or psychological benefits that may be forfeited by leaving a job. The more an employee would give up when leaving, the more difficult it will be for him or her to sever employment with the organization (Mitchell, Holtom, Lee, Sablinski, & Erez, 2001).

Mitchell et al. (2001) found that JE reliably measured as an aggregated construct across the six dimensions which incorporates elements of on and off the job and organizational affect, non affective links and ties, investments and sacrifices, fit perceptions, in a single coherent framework (Allen, 2006) therefore it would be inappropriate to consider the dimensions separately. However, Lee et al. (2004) disaggregated JE into on- and off-the-JE and found that both the dimensions predicted different outputs.

At the individual level, JE influences the social environment in retaining employees of particular interest in the context of this research is a study by Allen (2006) where socialization tactics has been shown to embed newcomers in their organizations . Another study by Felps, Lee,

Sabljinski, Burton, and Holtom (2009) forwarded a model of “turnover contagion” in which they propagated that when a number of coworkers are looking for other jobs, it increases the salience and perceived viability of leaving for a focal employee.

Managers perceive CSR to customers as being about developing and marketing high-quality products, by doing so, the managers believe that the firm will be a good corporate citizen as it creates value for the firm, the community and the wider society. The responsibilities for the products/services satisfy customer needs, make society better off. Thus, employees are enmeshed in the organizations and strongly linked with society.

People who are involved in creating, supporting, and sustaining CSR programs also derive a sense of accomplishment, learn skills, and encounter other like-minded individuals, each of which is highly beneficial to the employees, thereby making it difficult to consider severing relationship with the organization. Rodrigo and Arenas (2008) found that employees have a keen sense of social justice and CSR activities developed broader social attitudes as it sensitizes employees’ towards social justice and attached a sense of social importance to their work. They want the benefits of social justice, which they can contribute through CSR activities. Thus, they are interested in a positive perception of the social role of the organization that can build JE.

CSR to society and customers structures opportunities for employees to have perceived impact and to make a lasting difference in people’s lives, and prevent harm or promote gains (Grant, 2007). CSR to society and customers personalizes the experience of impact by embedding jobs in interpersonal relationships that can enable employees to care about them. Recalling the theoretical justification provided for our second set of hypotheses (2a and 2b above), we hypothesize that JE will mediate the relationship with CSR and outcomes. Specifically, we hypothesize that:

***Hypothesis 3(a)** organization and community JE mediates the relationship between perceived corporate social relationship with respect to society and intention to quit.*

***Hypothesis 3(b)** organization and community JE mediates the relationship between perceived corporate social relationship with respect to customer and intention to quit.*

Methods

Sample Selection and Data Collection

Data for this research were collected from 19 leading Indian banks (regional head offices only) in India. From the 1056 survey invitations circulated among employees, 550 usable questionnaires were returned, a response rate of 52%. Respondents represented a range of departments like Sales, Operations, Collections, Information Technology, Human Resource and Marketing.. Additionally, based on information provided by the human resource departments, demographic characteristics of the non-respondents were similar in organizational tenure, gender, age, education, types of jobs, and other characteristics to the sample respondents.

Participants.

The average age of respondents was 38 years (s.d. = 10.75). They had worked for the organization for an average 12 .06 years (s.d. = 11.16). 81.8% were males and 18.2 % were females. The average tenure in the city was 7.49 years.

Control Variables.

The study controlled for city tenure, organizational tenure and age in years, gender (1 = male and 0 = female), education, ownership (1 =public, 0 =not public). These demographic variables were controlled for to minimize or eliminate potential spurious relationships, as they have been shown to be related to variables of interest in the study (e.g., Holtom et al., 2006b; Tanova & Holtom, 2008).

Measures

The questionnaire was administered to a panel of two HR experts who were asked to provide their comments on the questionnaire and its items. Following which some of the items were re-worded to be more representative of the intended constructs, thus enhancing its content validity.

Discriminant validity of the dependent and independent variables constructs were assessed by using chi-square difference tests by computing the χ^2 difference of the chi-square values between the constrained (the covariance between each pair of constructs was fixed at one) and unconstrained (all constructs were allowed to co-vary freely). For details see table 1.

Insert Table 1 about here

Unless noted differently, the following constructs were measured by Likert scales with responses ranging from 1 (“Strongly Disagree”) to 5 (“Strong Agree”).

Job embeddedness

Organization JE:- was measured using nine items developed and validated by Holtom et al. (2006). The respondents indicated on a five-point Likert-type scales (1 = strongly disagree and 5 = strongly agree). A sample item for organization JE is, ‘If I stay with my organization, ‘I will be able to achieve most of my goals’. Similar to Lee et al. (2004), we averaged items for on-the -JE over their three sub dimensions JE. The three organization-focused composites were aggregated to form organization JE construct (α 's= .83).

Community JE: was measured using 12 items. The respondents indicated on a five-point Likert-type scales (1 = strongly disagree and 5 = strongly agree) with 9 of the 12 items. The other 3 items measuring link community involved yes or no answers. Following Mitchell et al.

(2001), we created Z-scores for three items. A sample item for community JE is, 'I really love the place where I live'. Similar to Lee et al. (2004), the three community-focused composites were aggregated to form community JE construct (α 's = .74). To quote Felps et al.(2009,p. 550) "Because individual job embeddedness is a formative (or indicator) construct, high internal consistency and unidimensionality are not the standards by which construct validity should be judged". However, for descriptive purposes, we note that coefficient alpha was high.

Corporate Social Responsibility

CSR to Society: is measured with seven items via Turker (2009a). A sample item for CSR to society is, 'My company participates in activities which aim to protect and improve the quality of the natural environment' ($\alpha = 0.89$).

CSR to Customers: is measured with four items via Turker (2009a). A sample item for CSR to customers is 'Our Company provides full and accurate information about its products to its customers'. ($\alpha = 0.85$), CFA results showed that this two-factor model fit significantly (see appendix).

Intention to Quit.

were assessed via Michael and Spector's (1982) four-item scale ($\alpha = 0.85$). A sample item is, 'At this time in my career would I want to quit this job if it were possible'.

Results

Table 2 presents the means, descriptive statistics and correlations coefficient of dependent, independent and mediating variables. CSR to society and customers are significantly and positively related to organization and community embeddedness. CSR to society, customers and organization and community embeddedness are significantly and negatively related to intentions to quit. When the control variables were regressed on intention to quit, we found

multicollinearity between organizational tenure and age. We excluded age and included organizational tenure in the regression equations because we expect employees having longer organizational tenure to be embedded in the organization, thereby affecting the embeddedness more strongly than age.

Insert Table 2 about here

Insert Table 4 about here

A three-stage hierarchical regression analysis was applied to test the hypothesized relationships. For hypotheses 1(a) and 1(b) see Table 4, in the first step, the control variables were entered into the prediction model and collectively explained 12% of the total variance in intentions to quit and organizational tenure emerged as the most significant factor ($\beta = -0.35$, $p < 0.001$). In the second step and third step, both CSR to society ($\beta = -0.25$, $p < 0.001$) and CSR to customers ($\beta = -0.30$, $p < 0.001$) were found to be significantly and negatively related to intention to quit. This step corresponds to the first step in Baron and Kenny's (1986) framework for testing mediation. Thus, Hypothesis 1(a) and (b) was supported.

Insert Table 3 about here

Table 3 presents the results using hierarchical linear regressions for CSR to society and CSR to customers predicting embeddedness, the next step in showing mediation. For organization JE, the control variables in step 1 ($R^2 = 0.04$). In the first step, the coefficient for gender and education was significant such that males reported greater organization embeddedness and highly qualified employees reported less organization embeddedness. CSR to society and CSR to customers were positively related to organization embeddedness and the

models explained a variance of 26% and 28% of the organization embeddedness. The coefficient for CSR to society is ($\beta = .47, P < .001$) and for CSR to customers is ($\beta = .49, P < .001$).

For community JE the control variables step was ($R^2 = .10$). In the first step, the coefficient for city tenure and ownership was significant such that longer city tenured employees were strongly embedded than less tenured employees and employees with public sector undertaking are embedded in the community more than private sector employees. CSR to society and CSR to customers were positively related to community embeddedness and explained a variance of 19% and 15% of the community embeddedness. The coefficient for CSR to society is ($\beta = .31, P < .001$) and for CSR to customers is ($\beta = .22, P < .01$). Thus, Hypothesis 2(a) and 2(b) was fully supported.

Step 3 adds organization embeddedness followed by community embeddedness. In the final step, CSR to society and customer and organization embeddedness are found to be significantly and negatively related to intention to quit. Organization embeddedness partially mediates the effects of CSR to society and CSR to customers but with community embeddedness included in the model, the path does not change in magnitude. Taken together, these results provide partial support for hypothesis 3(a) and 3 (b). Organizational tenure emerged as the strongest predictor of intentions to quit.

Seeking additional support for hypothesis 3 (JE mediation), we performed a Sobel test (1986). Sobel tests indicated that organization embeddedness mediated the association between CSR to customers ($Z = -5.72, p < .001$), CSR to Society ($Z = -6.34, p < .001$) and intention to quit after controlling the controlled variables.

Discussion

This study extends two bodies of literature. First, it establishes that CSR practices enhance JE; thus, this study represents an empirical exploration of how organizations can increase employee JE through socially responsible strategies. Finally, this study extends the CSR – employee turnover literature by including two crucial CSR dimensions that influence employee turnover intentions. When an employee perceives that he is working for an organization which is just in its interactions with the larger social milieu it satisfies individuals' needs for a meaningful existence. It also signals about working conditions in the organizations they view as having values and norms they deem important. Thus CSR perceptions enmesh employees with the company and employees work more productively (here, lower intentions to leave) on its behalf.

The study revealed that perceived JE organization mediated the relationship between CSR to society and CSR to customers and intentions to quit but did not find support for the mediating role of community embeddedness. Given the general non-significant findings of this study related to the community embeddedness hypotheses, research is warranted in this area.

Control variables such as city tenure was positively related to community embeddedness, this is because when a person resides in the same city for a long time, he/she develops a network on non-work web that includes friends and informal groups (Mitchell et al., 2001). The results show that higher levels of education decreases organization embeddedness. This may be because higher education helps the employee to take the risk of changing a job for potential improvements in his/her career (Tanova & Holtom, 2008). Perhaps surprising is that the type of organization ownership predicting community embeddedness. A possible explanation might be that employees in Indian private sector banks perceive their work climate to be more authoritarian, tightly controlled (Budhwar & Boyne, 2004) which makes them adhere to the transfer orders. The PSU employees on the other hand can delay accepting the transfer order, and

in many cases avoid transfers providing them with an opportunity to reside in a particular community for a longer period. However, to develop a thorough understanding of the above relationship it is necessary to conduct future empirical research. Finally, organizational tenure builds in organizational JE and was found to be the significant predictor among those proposed factors with having highest level of β coefficient in predicting intentions to quit.

Managerial Implications

A primary implication of the study is that, at the individual level, JE is influenced by organizations' commitment towards the CSR activities, which helps in retaining employees. The relationship between CSR and retention suggests that the benefits of corporate community contributions are reflected in the behavior of internal stakeholders. Organizations can use the results of this study to design specific interventions aimed at reducing voluntary turnover. This emphasizes the importance that firms should attach to the communication of CSR policies and in particular external CSR policies such as corporate community policies to employees. Managers must provide employees with clear and open communication about CSR, providing the requisite guidance and resources so employees can effectively implement their CSR plans. Managers can also include employees in designing, selecting, managing the CSR activities of the organization in way that best suits their needs. Firms can be actively involved in local charitable causes through donations, hosting or sponsoring events at their facilities or by offering financial donation to a specific cause chosen by the employees'. They can provide time off or paid sabbatical to their employees to allow them to volunteer in their communities (Holtom, Mitchell, & Lee, 2006). Companies can encourage CSR to customers by recognizing employee contributions by giving awards or including contributions to such initiatives in job performance evaluations or by putting up the positive feedbacks received from the satisfied customer along

with the name of the employee who has achieved that in their notice boards. Organizations can also promote CSR to customers by advertising about it to its customers.

Limitations and Future Research Directions

The results of our studies should be viewed in light of their limitations. When data are collected from single informants, common method bias may lead to inflated estimates. As recommended by Podsakoff and Organ (1986) we adopted scale reordering as a procedural option such that JE and CSR items preceded the intention to quit items and Harman's one-factor test that showed that nine principal components were extracted that accounted for 67.77% of the total variance. Thus, it can be said that this study does not suffer from common method variance. Finally, CSR was measured based on employees' perception, therefore, it is possible that there can be a difference between the perceptions of respondents and the actual involvement level. Future research should include those employees who are actually involved in CSR activities.

Future research could continue this line of research on organization and community embeddedness and employee retention by examining the effect that JE has on other stakeholders of the organization like CSR to government, CSR to investors and CSR to employees or other employee related measures such as productivity. Employees develop external ties with the customers and the society they are serving over time and they should become more embedded in a more structured field over time. In this study, we were not able to assess this possibility directly. Research that measures external ties upon entry and again at some later point in time would be valuable for testing this assertion. Lastly, the study fails to fully account for the influence of community JE. Future research on community JE merits attention, as organizations need to know how to best increase both dimensions of JE to garner desired organizational results.

References

- Allen, D. G. (2006). Do organizational socialization tactics influence newcomer embeddedness and turnover? *Journal of Management*, *32*(2), 237–256.
- Baron, R. M., & Kenny, D. A. (1986). The moderator–mediator variable distinction in social psychological research: Conceptual, strategic, and statistical considerations. *Journal of personality and social psychology*, *51*(6), 1173.
- Bhattacharya, C. B., Korschun, D., & Sen, S. (2009). Strengthening stakeholder–company relationships through mutually beneficial corporate social responsibility initiatives. *Journal of Business Ethics*, *85*(2), 257–272.
- Bhattacharya, C.B., Sen, S. & Korschun, D. (2008). Using corporate social responsibility to win the war for talent. *MIT Sloan Management Review*, *49*(2), 36-45.
- Brammer, S., Millington, A., & Rayton, B. (2007). The contribution of corporate social responsibility to organizational commitment. *The International Journal of Human Resource Management*, *18*(10), 1701–1719.
- Budhwar, P. S., & Boyne, G. (2004). Human resource management in the Indian public and private sectors: an empirical comparison. *The international journal of human resource Management*, *15*(2), 346–370.
- De Gilder, D., Schuyt, T. N., & Breedijk, M. (2005). Effects of an employee volunteering program on the work force: The ABN-AMRO Case. *Journal of Business Ethics*, *61*(2), 143–152.

- Felps, W., Mitchell, T. R., Hekman, D. R., Lee, T. W., Holtom, B. C., & Harman, W. S. (2009). Turnover contagion: How coworkers' job embeddedness and job search behaviors influence quitting. *Academy of Management Journal*, 52(3), 545–561.
- Grant, A.M. (2007). Relational job design and the motivation to make a prosocial difference. *Academy of Management Review*, 32(2), 393–417.
- Hansen, S.D., Dunford, B.B., Boss, A.D., Boss, R.W., & Angermeier, I. (2011). Corporate social responsibility and the benefits of employee trust: A cross-disciplinary perspective. *Journal of Business Ethics*, 102(1), 29–45.
- Holtom, B.C., & O'Neill, B. S. (2004). Job embeddedness: a theoretical foundation for developing a comprehensive nurse retention plan. *Journal of Nursing Administration*, 34(5), 216–227.
- Holtom, B.C., Mitchell, T. R., & Lee, T. W. (2006). Increasing human and social capital by applying job embeddedness theory. *Organizational Dynamics*, 35(4), 316–331.
- Holtom, B. C., Mitchell, T. R., Lee, T., & Tidd, S. (2006b, August). *Less is more: validation of a short form of the job embeddedness measure and theoretical extensions*. Paper presented at the annual meeting of the Academy of Management Conference, Atlanta.
- Jones, D. A. (2010). Does serving the community also serve the company? using organizational identification and social exchange theories to understand employee responses to a volunteerism program. *Journal of Occupational and Organizational Psychology*, 83, 857-878.

- Lee, T. W., Mitchell, T. R., Sablinski, C. J., Burton, J. P., & Holtom, B. C. (2004). The effects of job embeddedness on organizational citizenship, job performance, volitional absences, and voluntary turnover. *Academy of Management Journal*, 47(5), 711–722.
- Maignan, I. (2001). Consumers' perceptions of corporate social responsibilities: a cross-cultural comparison. *Journal of Business Ethics*, 30(1), 57–72.
- Michaels, C.E., & Spector, D.E.(1982). Causes of employee turnover: a test of the Mobley, Griffeth, Hand, and Meglino model. *Journal of Applied Psychology*, 67(1), 53-59.
- Mijatovic, I.S., & Stokic,D. (2010). The influence of internal and external codes on CSR practice: the case of companies operating in Serbia. *Journal of Business Ethics*, 94(4), 533–552.
- Mishra,S., & Suar,D.(2010). Does corporate social responsibility influence firm performance of Indian companies? *Journal of Business Ethics*, 95(4), 571–601.
- Mitchell, T. R., Holtom, B. C., Lee, T. W., Sablinski, C. J., & Erez, M. (2001). Why people stay: Using job embeddedness to predict voluntary turnover. *Academy of management journal*, 44(6), 1102–1121.
- Narwal, M.,& Sharma, T. (2008). Perceptions of corporate social responsibility in India: An empirical study. *Journal of Knowledge Globalization*, 1(1), 61-79.
- Preacher, K. J., & Leonardelli, G. J. (2003). Calculation for the Sobel test. *An interactive calculation tool for mediation tests*. Retrieved from <http://quantpsy.org/sobel/sobel.htm>
- Podsakoff, P.M. & Organ, D.W. (1986). Self-reports in organizational research: Problems and prospects. *Journal of Management*, 12(4), 531–544.

- Rupp, D. E., Ganapathi, J., Aguilera, R. V., & Williams, C. A. (2006). Employee reactions to corporate social responsibility: an organizational justice framework. *Journal of Organizational Behaviour*, 27(4), 537–543.
- Rodrigo, P., & Arenas, D. (2008). Do employees care about CSR programs? a typology of employees according to their attitudes. *Journal of Business Ethics*, 83(2), 265–283.
- Tanova, C., & Holtom, B. C. (2008). Using job embeddedness factors to explain voluntary turnover in four European countries. *The International Journal of Human Resource Management*, 19(9), 1553–1568.
- Turker, D. (2009a). Measuring corporate social responsibility: A scale development study. *Journal of Business Ethics*, 85(4), 411–427.
- Turker, D. (2009b). How corporate social responsibility influences organizational commitment. *Journal of Business Ethics*, 89(2), 189–204.
- Vlachos, P. A., Theotokis, A., & Panagopoulos, N. G. (2010). Sales force reactions to corporate social responsibility: Attributions, outcomes, and the mediating role of organizational trust. *Industrial Marketing Management*, 39(7), 1207–1218.
- Valentine, S., & Fleishman, G. (2008). Ethics programs, perceived corporate social responsibility and job satisfaction. *Journal of Business Ethics*, 77(2), 159–172.
- Wheeler, A. R., Harris, K. J., & Harvey, P. (2010). Moderating and Mediating the HRM Effectiveness—Intent to Turnover Relationship: The Roles of Supervisors and Job Embeddedness. *Journal of Managerial Issues*; 22(2), 182.
- Zelsman, M. (2000). Charitable merry go round. *Infoworld*, 22(51), 39–40.

Appendix*Factor Structure of Corporate Social Responsibility*

Items	Rotated Factor Loadings	
	I <u>Loadings</u>	II <u>Loadings</u>
1	.96	.24
2	.80	.17
3	.84	.11
4	.71	.26
5	.73	6.279E-02
6	.74	.28
7	.32	.64
8	.15	.90
9	.17	.90
10	.12	.82
Eigen values	5.06	1.89
Explained variance	50.62	18.92
Cumulative Variance	50.62	69.53

Table 1

Chi-square Difference Test For Examining Discriminant Validity

Construct pair (Unconstrained) $\chi^2= 2095$ (d.f.= 550)	Constrained χ^2 (d.f.= 551)	χ^2 difference
community JE- organization JE	2196	100**
CSR to society – CSR to customer	2329	234**
community JE- CSR to society	2368	273**
community JE- CSR to customer	2269	174**
community JE- ITQ	2415	320**
organization JE- CSR to society	2302	207**
organization JE- CSR to customer	2218	123**
organization JE- ITQ	2478	383**
CSR to society- ITQ	2491	396**
CSR to customer- ITQ	2503	408**

Note 1. CSR = corporate social responsibility; ITQ = intention to quit, JE = job embeddedness.

Note 2. ** significant at the 0.01 overall significance level by using the Bonferroni method

Table 2

Means, Standard Deviations, And Inter-correlations For Study Variables

Variables	Means	SD	1	2	3	4	5	6	7	8	9	10
Age	37.99	10.87										
Gender	0.82	0.39	0.32 **									
Organizational tenure	12.04	11.17	0.94 **	0.25 **								
City tenure	7.49	9.58	-0.03	-0.02	-0.03							
Education	3.70	0.5	-0.12 **	-0.1 *	-0.14 **	-0.05						
Ownership	0.50	0.50	0.67 **	0.06	0.69 **	-0.12 **	-0.09					
CSR to society			-0.06	0.3	-0.05	-0.01	0.04	0.02				
Community JE			0.35 **	0.03	0.32 **	0.15 **	0.01	0.28 **	0.11 *	0.17 **	0.13 **	0.31 **
Organization JE	3.47	0.91	-0.07	0.02	-0.06	-0.00	0.03	0.00	0.43 **	0.43 **	0.21 **	0.29 **
CSR to customer	4.19	0.85	0.11 *	0.09 *	0.13 **	0.06	-0.06	0.14 **	0.46 **	0.42 **	0.30 **	0.28 **
Intention to quit	2.37	1.10	-.31 **	-.14 **	-.34 **	-.00	.08	-.21 **	-.33 **	-.35 **	-.18 **	-.21 **

Notes. n= 501.

* $p < .05$ (two tailed)

** $p < .01$ (two tailed).

Table 3

Results of Regression Analysis Predicting JE

DV ->	Organization JE			Community JE		
Predictors						
Gender ^a	.10*	.08	.06	.05	.04	.04
Organizational experience ^b	.07	.14*	.06	.07	.12	.07
City tenure ^c	.04	.04	.01	.16***	.16***	.14***
Education	-.14**	-.15***	-.12**	.05	.04	.05
Ownership ^d	-.02	-.07	-.09	.22***	.20**	.20**
CSR to society		.47***			.31***	
			.49***			.22***
CSR to customer						
Organization JE						
Community JE						
R ²	.04	.26	.28	.10	.19	.15
Adjusted R ²	.03	.25	.27	.09	.19	.14
F	4.44**	28.69***	31.33***	10.94***	19.87***	14.03***

Notes: Standardized regression coefficients are provided , CSR = corporate social responsibility, JE = job embeddedness, n= 501; ^a1 = male, 0 = female, ^b ^c, in years, ^d 0= private, 1= public.

* p <0.05, ** p< 0.01

*** p < 0.001

Table 4

Results of Mediated Regression Analysis Predicting Intention to Quit

		Intention to quit						
Predictors								
Gender ^a	-0.05	-0.04	-0.03	-.01	-.02	-.04	-.03	
Organizational experience ^b	-0.35***	-0.39***	-0.35***	-0.33***	-.35***	-.38***	-.34***	
City tenure ^c	-0.01	-0.01	0.02	.02	.01	.00	.02	
Education	0.03	0.04	.02	-.01	-.01	.04	.02	
Ownership ^d	0.04	0.06	0.07	.05	.04	.07	.08	
CSR to society		-0.25***	-0.06		-.12**	-.24***		
CSR to customer							-.29***	
Organization			-.30***	-.18***				
JE				-.25***				
Community						-.04	-.05	
JE								
R ²	.12	.18	.21	.26	.24	.19	.21	
Adjusted R ²	.11	.17	.20	.25	.23	.18	.20	
F	13.76***	18.57***	21.98***	24.12***	22.49***	16.04***	19.09***	

Notes: Standardized regression coefficients are provided , CSR = corporate social responsibility, JE = job embeddedness, n= 501; ^a1 = male, 0 = female, ^b ^c, in years, ^d 0= private, 1= public.

* p <0.05, ** p< 0.01

*** p < 0.001

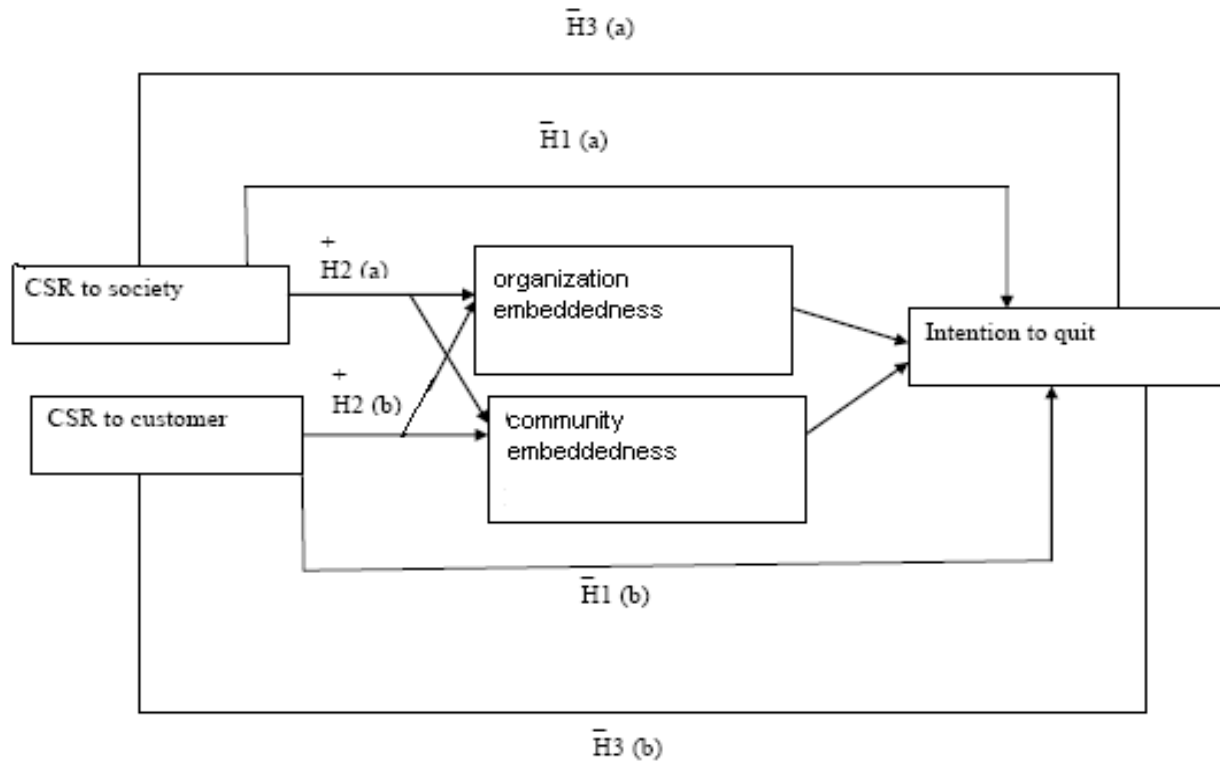


Figure 1. Proposed model depicting the relationship between CSR, JE, and employees' intention to quit.